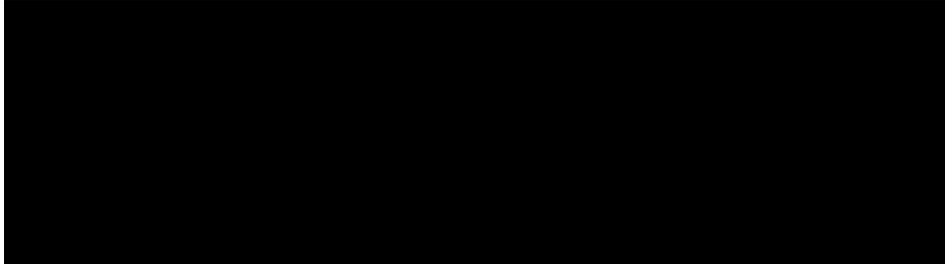


23 January 1969

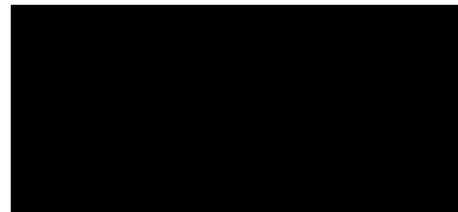


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Enclosed are our rationale and the intelligence assessment. If more is needed, or changes would be desirable, please let me know.

Please accord our "Intelligence Report" the same status as the rest of our participation -- that is, the work of individuals and not of the organization. It has been written as a Blue intelligence report, not a Blue and Yellow. Were we to do Yellow, the report would be different.

We're looking forward to the play.



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1973 Intelligence Report on Red for XRAY 2

The overall view of Red gives the appearance of maintaining the status quo. However, some of our analysts are disturbed by several of the signs.

Red continues to maintain large and varied forces. Its military budget is still increasing, but at the rate of recent years and at the same rate as GNP. We believe this to be largely real and not monetary or inflationary increase. The military establishment is, in essence, receiving a virtually constant share of GNP.

The improvement of conventional forces of the past half dozen years appears to continue. There is a growing capability to air- and sea-lift forces to other than areas contiguous to Red's own territory. Moreover, there is somewhat more capability to defend these forces when in transit through hostile environments.

Red's strategic offensive forces still show rough parity with Blue's, in fact surprisingly so. Moreover, few new systems seem on the horizon. Their 4252 is just becoming operational -- it is a longer endurance version of an older system which was never deployed; their 3355 is in an advanced stage of development. Both of these systems would complicate defense. At this stage we can't be sure they will proceed beyond token deployment, a feature of several past programs, but our best estimate is that they will: if they don't they will be indicating a willingness to live for virtually this entire decade with the technology of the early 1960's as there are no other systems visible in R&D.

In strategic defense Red is still dependent on the base force. We see two new systems in test, both of which are consistent with what has been prevailing Red philosophy. We believe a 6501 is well along in development; it is an improved, longer range version of 1603. The other appears to be a 6600-type of defensive system, although it is still early to pin down all of its capabilities. It is not as far along as their 6501.

We have some trouble adequately categorizing another system. It quite clearly employs the 2320 vehicle, but after that our certainty falls off. We have some information on test flights which seemed to be coincident with airborne launches of high-G missiles. It is quite possible that they were part of the same test and that they are developing a 2320 system.

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In space, Red continues with a substantial program. In the military sphere they have an operational 4211 and we believe additional systems are under development. They could incorporate any, or some combination, of the sensors in which they have been doing developmental work (see earlier reports on this subject).

Also, we believe Red is continuing to develop improved C&C for its strategic forces. We have little specific evidence but believe the interest they have shown for almost a decade plus the increased sophistication and array of strategic systems dictate their doing so.

All-in-all it looks like a continuation of past practices: emphasis on defense and surveillance and no upsetting of the "parity" of the late 1960's. However, as noted above, some of our analysts are skeptical. They believe that Red's goal remains world domination and that they may well see the present time as an opportunity to at least extend their influence and lessen Blue's. They remind us that the present Red leadership is restrained, hence less likely to alert Blue in some of the ways it was done in the past. They are suspicious that the pattern of deployment and development which we are "seeing" is too pat, it's "un-Red." Hence they believe Red might be trying to deceive us. They remind us that the systems we know to be under development or think might be under development, if completed and deployed in numbers, would represent a substantial leap forward in Red strategic strength and could give Red capabilities or flexibility not now available to Blue. They are particularly concerned because they believe that Red may have been R&Ding such systems for several years. There are large R&D funds for which they can't account, but point out that analytic complications are caused by such things as increase in the R&D base, higher costs, and the relationship between R&D charged to programs and that which is not.

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FOR EXERCISE PURPOSES ONLYRationale for Red's Opening Posture for XRAY 2Assumptions

1. No arms control through agreement or unilaterally.
2. Economic and scientific advisors have provided valid assessments of capability to proceed as outlined below: the available monetary resources indicate real resources, both technological and industrial. It will be possible to maintain current, though modest, rates of growth in GNP (total military spending will increase at roughly the same rate as GNP).

We now see an opportunity to turn the tide which has been more in Blue's favor than ours and to make more appreciable strides toward our goal of world-wide domination. At a minimum, we hope to extend our influence in Europe and the Middle East and possibly to the African and South American continents.

The moment seems propitious. Blue is involved in foreign adventures and has crises at home. Its spending for strategic programs and R&D actually went through a period of decline in recent years; however, we expect that the somewhat greater emphasis given to these areas by the new Administration will be maintained.

Although we have now closed the missile gap and enjoy the best relative strategic position we ever have (hence it is no time to quit), it is clear that Blue is ahead on the next cycle. In other words, our gain is temporary -- we will continue to be one-half cycle behind. It is our judgment that the only way to break this pattern is to invest heavily in R&D, to attempt a leap-frog of sorts in technology, and then to deploy a number of the new systems in as short a period of time as possible. In a sense, what we propose to do is take a gamble that by peaking our efforts toward the 1975-77 period we can achieve a strategic weight which will permit political gains which Blue will find extremely difficult to redress. We could lose, but the main loss would be economic; we are not risking our military future. Nor are we risking much in the near term -- we can adopt such a course because our strategic forces will be more than adequate to deter Blue for the next few years or, failing that, to inflict extremely heavy damage.

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We do recognize, however, that achieving superiority in this way will require misleading Blue. If Blue is aware of our intentions soon enough, it could easily match our efforts. Therefore,

1) we will hold our ICBM force at the "parity" level for the next 3 to 5 years; and

2) the visible parts of our R&D efforts will continue to show our pattern of recent years -- numerous programs with the emphasis on defense and surveillance.

The offensive programs may cause some consternation, but only two are likely to be visible for some years. And both of them, 4252 and 3355, should look like more sophisticated versions of present programs (that is, normal extensions). 3385, potentially of greater consternation, should not be visible until well into the decade. It might be noted that we think 2320, a defensive system, is likely to cause a stir because we have done little in that area for some years and AF Blue has not given up on its 2200 (we wish them luck but aren't counting on it).

If we succeed we expect to have a strategic posture which will permit us to assume an aggressive political posture. Under such circumstances we will push Blue to withdraw from confrontations and even territorially (e. g., from Europe). Moreover, if the evaluation of our projected capabilities (and our expectation with regard to Blue) proves realistic, we will have many fewer qualms than we have today about going to the "brink".

We not only want to overcome the bipolarization of the world; we want to end the disunity that exists in the camp we lead. Yellow must be brought to heel; hopefully through new leadership.

Finally, our large conventional forces will be maintained and improved along the lines now under way. They will continue to provide mastery of the Eurasian land mass and will increasingly show that Red power is global in all areas.

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